

**Governmental Health Group of Rhode Island
Minutes
Regular Meeting of the Board of Directors
Wednesday, August 23, 2006**

A regular meeting of the Board of Directors was held on Wednesday, August 23, 2006, at the East Bay Educational Collaborative, 317 Market Street, Warren, Rhode Island.

Roll Call:

Board of Directors

Jane F. Correia	President	Present
Cynthia Brown	Director	Excused
Shawn J. Brown	Treasurer	Present
Ron Devine	Director	Excused
Miriam Goodman	Director	Present
Nancy Lalli	Director	Present
Robin Reasor	Director	Excused
Patricia Watkins	Director	Excused

Alternate Board Members:

David P. Faucher	Vice President	Present
Maureen Macera	Alternate	Excused
Catherine McLeish	Alternate	Present
Edward Mara	Alternate	Excused
Robert Murray	Alternate	Excused
Robert Mushen	Alternate	Present
Glenn Steckman III	Alternate	Present
Michael Saunders	Alternate	Present

Others Present

Lynne Dible	Secretary	Present
Stephen Zubiago	Nixon Peabody LLP	Excused
Kevin Walsh	Group Benefits Strategies	Present
Marc Gagnon	Blue Cross Blue Shield of RI	Present

Call to Order:

President Correia called the meeting to order at 9:30 a.m. Secretary Dible reported that a quorum was present.

Agenda:

A motion was made by D. Faucher, seconded by G. Steckman, to approve the agenda for the 08/23/2006 meeting. The motion was approved unanimously.

Secretary's Report:

A motion was made by D. Faucher, seconded by M. Goodman, to approve the minutes (previously emailed) of the meeting held 07/26/2006. The motion was approved unanimously.

Treasurer's Report:

A motion was made by D. Faucher, seconded by G. Steckman, to approve the Treasurer's Report for period ending 07/31/2006 as presented. S. Brown reported that a larger than usual Accounts Receivable was being carried, most likely due to cash flow timing associated with the start up of the new fiscal year for the member communities. He added that the Net Income reported as of 06/30/2006 included an accrual for the last period of claims, which had to be adjusted upward when the actual claims came in. This caused the Retained Earnings to fall to \$175K as of 07/31/2006. Claims were light for the month of July 2006, and net income for the period ended 07/31/2006 was reported as \$642K. The motion was approved unanimously.

S. Brown also reminded everyone that R. Lynch of GBS would be completing the final FY2006 reconciliation in September 2006. K. Walsh added that GBS could run a report of the actual claims paid for FY2006 and review it at the September 2006 meeting.

Warrants:

A motion was made by D. Faucher, seconded by M. Goodman, to approve the September 2006 Warrant Summary. The motion was approved unanimously.

Self-Funded Cost vs. Funding Analysis:

K. Walsh provided an overview of the Self-Funded Cost vs. Funding Analysis Report. He reported that the overall cost/funding ratio was 92.0% at the end of July 2006. He mentioned that there was some large loss activity in Newport and Woonsocket during May and June 2006 that caused the cost/funding ratio to exceed 100% for those communities for the period. He discussed the High Cost Claim Report for claims paid through July 2006, noting that there are now three members with claims in excess of \$200K, all of which have been reimbursed. He reported that there are still six disputed claims that are being reviewed by Blue Cross.

K. Walsh also mentioned that M. Gagnon of Blue Cross wanted to discuss the new Muni-Blue program with the group. K. Walsh suggested we request that M. Gagnon provide a report on the benefits of the program for the next meeting in September 2006.

K. Walsh also explained that he had reviewed and made some changes to the draft Stop Loss contract provided by Blue Cross. He will follow up next month on the status of the Stop Loss insurance.

K. Walsh added that he did receive the additional information from Blue Cross he needed in order to complete the Retention Analysis Report. He reviewed the report for FY2006, explaining that the estimated savings in retention charges for the GHGRI was \$447K, and added that each member's FY2007 rate would have been 1.0% higher if they had remained a premium group.

Old Business:

Nominations for Directors (alternates and primary). D. Faucher distributed a final listing of proposed Directors and Alternates for the 2006/2007-year based on the nominations he had received.

Annual Meeting / Election of Officers. D. Faucher explained that the process for the election of Directors and Alternates and for Officers and the Executive Committee for the 2006/2007-year would consist of him presenting the slate of names he had received and then accepting nominations from the floor to be voted on. He planned on checking with the existing Officers to see if they still had interest in continuing with their positions.

FY2006 annual audit. S. Brown reported that the annual audit packet has been assembled and the auditors are done with their fieldwork. They made no adjustments. They will be going to GBS and to Blue Cross to audit claims during October 2006. The final year-end FY2006 audit should be completed in November 2006.

DBR approval / GHGRI Officer Insurance status. J. Correia reported that S. Zubiago had met with J. Torti of the DBR, who is working to complete the review of the documents sent to him on July 24, 2006. She will keep everyone apprised of the progress, but had not heard anything further as of today. Additional discussion followed related to the timing of adding new members to the GHGRI in light of the outstanding issue of approval from DBR. S. Brown pointed out that the GHGRI should consider adding new members sooner rather than later as the FY2008 budget season is soon to begin.

IBNR reserve estimate / Working capital reserve. S. Brown reported that the IBNR calculation would be done by Milliman in October 2006, and that would be a better time to address the working capital reserve issue.

Medicare Part D reimbursement distribution. K. Walsh reported that the Medicare Part D reimbursement money had not been received yet and the first payment was expected in January 2007. He explained that GHGRI would pay the Medicare Part D administrative fee to GBS out of the proceeds. The reimbursement distribution will be addressed in January 2007, once the reimbursement money is received.

GHGRI meeting location. J. Correia commented that there was good attendance for the meeting today at the new location in Warren, and did not see that the location was a factor in poor meeting attendance.

New Business:

Enrollment Advantage Delays. M. Gagnon responded to M. Goodman's concern about enrollment delays up to as long as three months on the Enrollment Advantage system. After discussing this issue with the group it appeared to be an isolated incident and M. Gagnon agreed to work off-line with M. Goodman on the problem. M. Gagnon also discussed the possibility of using the Stop Loss insurance invoice to assist in the retroactive billing process in the future.

Other Business:

A motion was made by G. Steckman, seconded by D. Faucher, to have the Secretary send a card of thanks to C. Brown for all of her efforts as a member of the Board of Directors of the GHGRI, and to wish her well in her new job. The motion was approved unanimously

D. Faucher asked that the Board consider the possibility of an Executive Committee made up of members other than Officers. He reported that the Executive Committee could have up to five members. This item will be addressed at the September 2006 meeting.

Adjournment:

A motion to adjourn at 10:30 a.m. was made by G. Steckman seconded by D. Faucher. The motion was approved unanimously.

The next regular meeting is September 27, 2006 at the East Bay Educational Collaborative.

Respectfully submitted,

Lynne S. Dible, Secretary